

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In re:

Bky. Case No.: 23-30352

Chapter 11, Subchapter V

Drain Services, Inc.,

Debtor.

**NOTICE AND MOTION
FOR APPROVAL OF
SETTLEMENT AGREEMENT**

Drain Services, Inc, debtor-in-possession (“Debtor”), respectfully requests that the Court approve a Settlement Agreement entered into with Joseph Pfau and Cecilia Pfau (the “Pfaus”) dated October 16, 2024. The Settlement Agreement, in essential part, provides as follows:

Drain Services, Inc. (the “Debtor”) filed for bankruptcy protection on October 2, 2023 in the District of North Dakota. The Debtor’s Plan of Reorganization was confirmed on January 30, 2024. On or about October 2, 2023, the Debtor was engaged by the Pfaus to investigate and remedy an emergency sewer malfunction. The Debtor repaired the Pfaus’ sewer system and invoiced them \$62,000 for the work. The Pfaus refused to pay the Debtor. The Debtor commenced Adversary Proceeding 24-07001 seeking recovery of the \$62,000 from the Pfaus. The Pfaus have asserted defenses against the claims asserted in the adversary. To avoid the costs and uncertainties of litigation, the Debtor and Joseph and Cecelia Pfau have agreed to compromise their claims and settle their differences. The Pfaus will pay the Debtor \$45,000 to settle the dispute. The Settlement Payment shall be payable as follows: 1) \$21,500 payable upon execution of this Agreement to Ahlgren Law Office PLLC Trust Account, which shall be paid to Debtor upon the final entry of Order approving this settlement; 2) Pfaus agree to apply 100% equity from the sale of the home towards the Settlement Payment, and 3) monthly installments in the amount of \$2,000 for a period of twelve (12) months due and payable directly to Debtor on the first of each month starting the first month after final entry of the Order approving this settlement. Within seven (7) business days after entry of the Order, the Debtor will file a stipulation of dismissal of the Adversary Proceeding with prejudice. Debtor will release the liens recorded on the property owned by the Pfaus at Closing upon receipt of payment. A copy of the Settlement Agreement may be obtained by contacting the attorney for the Debtor.

NOTICE OF MOTION: Your rights may be affected in this action. You should read these papers carefully and discuss the matters with your attorney if you have one. Any objections to this motion must be made within 21 days of this date with an original filed with the Clerk of Bankruptcy Court and United States Trustee at the addresses stated below. Failure to timely respond to this motion will be deemed a waiver of any objections and the Court will grant such relief as it deems appropriate.

Clerk, U.S. Bankruptcy Court
Quentin N. Burdick U.S. Courthouse
655 First Ave. N. – Suite 210
Fargo, ND 58107-4932

United States Trustee
314 South Main Ave.
Suite 303
Sioux Falls, SD 57104-6462

DATE OF MAILING: October 22, 2024

/s/ Sarah C Duffy
Sarah C Duffy (ND 09574)
Ahlgren Law Office, PLLC

220 W Washington Ave. Ste 105
Fergus Falls, MN 56537
218-998-2775
sarah@ahlgrenlawoffice.net

